

SUMMARY OF HUMAN RESOURCE AUDIT CRITERIA

The following lists the core HR functional areas and summarizes what will be reviewed during an audit; it is not all-inclusive, and it may be subject to change. The scope of work for the audit may include a review of internal policies and processes, a review of filing and tracking systems, and surveys and questionnaires of employees and managers on the effectiveness of the human resources operation in the department. The *Audit Schedule* outlines who will be audited, when the audits will occur, and the functional area to be audited.

HUMAN RESOURCES ORGANIZATION/ADMINISTRATION. Organization of HR office, including appropriate class of professional positions; delegation of authority to and within the department; quality control to ensure consistency in authorities delegated within the department; documentation of processes, operating standards, and internal controls; administration of retention rights, including notices, matrix, use of separation incentives, and outplacement practices; how staff remain current and up to date with the HR field and the state personnel system; and techniques for communicating with employees and appointing authorities in department.

SELECTION. Recruitment methods, methods used in workforce and succession planning, and use of turnover data; access to and quality of job announcements; quality of job analyses; exam development, administration, and scoring; length of eligible lists, including merged lists and notice of appeal rights; and referrals and interviewing practices.

JOB EVALUATION. Standards, processes, and internal and quality control methods for reviewing and updating PDQs including essential functions, FLSA notification, turnaround times, and repeat requests; internships for new evaluators; allocation process including quality of reports and employee notification; process to address concerns with non-appealable decisions; communication process for official system maintenance studies; and standards, internal controls, and processes for reviewing and exempting positions from the state personnel system.

TOTAL COMPENSATION. Standards, and processes used to develop and communicate internal compensation policy and plans; internal controls to ensure accuracy and consistency of pay and leave; policies on pay adjustments; pay differentials and incentive awards; overtime pay; premium pay awards including hazardous duty pay, housing premium pay, documentation on approval of requests to pay shift and on-call premiums to individuals in classes not designated by the state personnel director. Leave management standards, internal controls, and practices; confidentiality policies and agreements with those handling health-related information; leave tracking systems; FLMA compliance including designation and notification; leave sharing plans; and maintenance of annual SES performance contracts, including filing with state personnel director. Standards and processes for enrollment for new employees in benefit plans; communication methods for open enrollment; worker's compensation reporting; process for reporting employment claims; and compliance with COBRA and STD benefits requirements.

PERFORMANCE MANAGEMENT. Most current Performance Pay Program is approved and on file with the state personnel director, including methods of communication to new and current staff and plan for mandatory supervisory training; completion rate of plans and ratings including quality control and review for consistency of ratings; methods used to determine distribution of awards; efficiency and communication of the internal dispute resolution process; and compliance with requirements for sanctions.

WORKFORCE DEVELOPMENT. Orientation program for new employees and supervisors; training programs and delivery methods including courses, training staff, and cost; workforce development policies including drug-free workplace, workforce violence and sexual harassment prevention, diversity, FMLA and FLSA responsibilities.

EMPLOYEE RELATIONS. Number, type, and outcome of appeals, grievances, and director's reviews; internal grievance processes; other forms of alternative dispute resolution used; communication methods and forms; number, type, and outcome of corrective and disciplinary actions; any methods used to address work environment issues.

RECORDS MANAGEMENT. Content of employee, payroll, medical, and position files; internal controls to ensure accuracy and control access; compliance with IRCA (I-9); process for purging records; FLSA designations; a review of employee timesheets; posting of required notices; and methods to ensure timely and accurate reporting of information to the state personnel director.